NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (10/22): BUTTER: Grade AA closed at $1.0950. The weekly average for Grade AA is $1.0233 (-.0617).
CHEESE: Barrels closed at $1.2625 and blocks at $1.2700. The weekly average for barrels is $1.2705 (+.0395) and blocks, $1.2840 (+.0275).
NONFAT DRY MILK: Extra Grade and Grade A closed at $1.0300. The weekly average for Extra Grade is $1.0300 (N.C.) and Grade A, $1.0300 (N.C.).

BUTTER: The market tone is unsettled at the CME, Grade AA butter prices fell below $1.00 for the first time since April 1999 before rebounding during Friday's trading. Contacts are quite concerned about the current low prices. Those most concerned are those holding sizeable inventories which were accumulated at prices well above current levels. Demand for bulk is slower as users work off inventories. Churning activity is increasing as more cream is available and fresh butter stocks are not as tight as they were several weeks ago. Print sales are fair to improved as retailers prepare for the upcoming holidays. However, with prices falling so quickly, many buyers are holding off as long as they can before ordering.

CHEESE: The cheese market is unsettled to weak. Overall demand continues to lag the strong consistent movement normally associated with fall. Food service remains fairly steady and retail is still irregularly slow to good. Offerings of current cheddar remain at least adequate except for some tightness in product designated for aging programs. Process interest continues to lag natural. Cheese production remains seasonally active, reflecting above year ago milk intakes and the seasonal improvement in cheese yields.

FLUID MILK: Milk production is increasing in much of the Southeast, Southwest, and the Northwest. Output is steady in most other regions. Fluid milk supplies are more than ample for Class I needs. Shipments of Grade A milk into Florida and other Southeastern states are off from previous weeks, but still in the "neigborhood" of 275 loads for the region as a whole. Manufacturing plants are receiving steady to heavier volumes of surplus milk. The condensed skim market is weak as the high prices are forcing most users to switch to NDM as their source for solids. The fluid cream market is mostly weaker as offerings increase. However, lower butter prices at the CME are forcing cream prices lower and some buyers are showing renewed interest. Cream cheese output is increasing as orders are improving.

DRY PRODUCTS: The nonfat dry milk market is steady to weaker and prices, particularly for low heat, are often lower. Production levels are up in most areas of the country and producer stocks are up from recent weeks. The dry whey market ranges from weaker east of the Rockies to a bit firmer on the West Coast. Exports are playing a larger role in the demand for dry whey and some suppliers are discounting prices to move product out of the country. Spot, domestic interest is lackluster at best. The lactose and WPC market undertones are both steady.

CCC: During the week of October 18 - 22, net purchases totaled 2,418,087 pounds of nonfortified NDM from Western sources.

NOVEMBER CLASS I BASE PRICE - FOR INFORMATION ONLY: If the new Federal milk order reform pricing system were in effect, the Class I base price for November 1999 would have been $12.90 per cwt. This price is derived from the advanced Class III skim milk pricing factor for October 1999 of $8.81 and the advanced butterfat pricing factor for October 1999 of $1.2560. The Class I base price is equivalent to the Class I mover under the current pricing system, which was $16.26 for November Class I prices.

AUGUST FLUID MILK SALES HIGHLIGHTS (USDA, AMS): During August, sales of fluid milk products in comparable Federal milk order marketing areas and California were 1.2% above the previous year and 0.8% above July 1999 on an adjusted daily average basis. Sales of whole milk products were 2.7% above the previous year; sales of fat-reduced milk products were 0.4% above the previous year. Total fluid milk sales were higher in the Southeastern, Midwest, Southwest, and Far West regions; lower in the Northeast. Total fluid milk sales for the January-August 1999 period were 1.0% higher than the same period last year.

COLD STORAGE (NASS & FSA): U.S. cold storage holdings of butter on September 30, 1999 total 74.1 million pounds, down 22.2% from a month earlier and more than double September 1998. Natural American cheese holdings total 471.4 million pounds, down 7.7% from August and 12.9% more than a year ago. September's privately held American cheese stocks dropped 39.3 million pounds from August's total, the largest single-month drop ever recorded. Nonfat dry milk holdings at the end of August total 276 million pounds, 2.1% less than last month but 48.4% more than a year ago.

FEDERAL MILK ORDER MARKET SUMMARY (USDA, AMS): During September, about 6.4 billion pounds of milk were marketed under Federal orders. Producer deliveries were about 22.0% less than September 1998, and about 3.1% more than August 1999 on an estimated daily average basis. Milk utilized in Class I products in September was 0.6% more than last year on an adjusted basis. The average blend price was $15.62, $.74 less than last year. Changes in class prices from year-earlier levels were: Class I, down $1.18; Class II, down $1.18; Class III, up $1.16; and Class III-A, down $7.48.

CHICAGO MERCANTILE EXCHANGE
CASH TRADING

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY OCTOBER 18	TUESDAY OCTOBER 19	WEDNESDAY OCTOBER 20	THURSDAY OCTOBER 21	FRIDAY OCTOBER 22	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	$1.2725 (-.0250)	$1.2725 (N.C.)	$1.2725 (N.C.)	$1.2725 (N.C.)	$1.2625 (-.0100)	-.0350	$1.2705 (+.0395)
40# BLOCKS	$1.2950 (-.0175)	$1.2900 (-.0050)	$1.2850 (-.0050)	$1.2800 (-.0050)	$1.2700 (-.0100)	-.0425	$1.2840 (+.0275)
NONFAT DRY MILK							
EXTRA GRADE	$1.0300 (N.C.)	$1.0300 (N.C.)	$1.0300 (N.C.)	$1.0300 (N.C.)	$1.0300 (N.C.)	N.C.	$1.0300 (N.C.)
GRADE A	$1.0300 (N.C.)	$1.0300 (N.C.)	$1.0300 (N.C.)	$1.0300 (N.C.)	$1.0300 (N.C.)	N.C.	$1.0300 (N.C.)
BUTTER							
GRADE AA	$1.0000 (-.0800)	-----	$.9750 (-.0250)	-----	$1.0950 (+.1200)	+.0150	$1.0233 (-.0617)

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM

CHICAGO MERCANTILE EXCHANGE

MONDAY, OCTOBER 18, 1999

CHEESE -- SALES: 1 CAR BARRELS @ $1.2725; 2 CARS 40# BLOCKS: 1 @ $1.3100, 1 @ $1.2975; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 3 CARS BARRELS: 1 @ $1.2850, 2 @ $1.2975; 4 CARS 40# BLOCKS: 1 @ $1.2950, 1 @ $1.2975, 2 @ $1.3125; 1 CAR BARRELS - 3 MONTH OLD @ $1.2500

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 3 CARS GRADE AA: 1 @ $1.0175, 1 @ $1.0100, 1 @ $1.0000; BIDS UNFILLED: 6 CARS GRADE AA: 1 @ $1.0000, 5 @ $0.9500; OFFERS UNCOVERED: 16 CARS GRADE AA: 1 @ $1.0300, 1 @ $1.0400, 1 @ $1.0500, 2 @ $1.0600, 1 @ $1.0650, 2 @ $1.0700, 3 @ $1.0800, 1 @ $1.0900, 1 @ $1.1000, 2 @ $1.1100, 1 @ $1.2000

TUESDAY, OCTOBER 19, 1999

CHEESE -- SALES: 1 CAR BARRELS @ $1.2725; 6 CARS 40# BLOCKS: 1 @ $1.2925, 1 @ $1.2900, 1 @ $1.2925, 1 @ $1.2900, 1 @ $1.2875, 1 @ $1.2900; BIDS UNFILLED: 1 CAR BARRELS - 3 MONTH OLD @ $1.1275; OFFERS UNCOVERED: 1 CAR BARRELS @ $1.2725; 5 CARS 40# BLOCKS: 2 @ $1.2925, 3 @ $1.2950; 1 CAR BARRELS - 3 MONTH OLD @ $1.1975 .

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, OCTOBER 20, 1999

CHEESE -- SALES: 2 CARS 40# BLOCKS @ $1.2850; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 2 CARS BARRELS @ $1.2725; 6 CARS 40# BLOCKS: 2 @ $1.2850, 4 @ $1.2900

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 1 CAR GRADE AA @ $0.9750; BIDS UNFILLED: 11 CARS GRADE AA @ $0.6500; OFFERS UNCOVERED: 4 CARS GRADE AA: 1 @ $0.9750, 1 @ $0.9825, 1 @ $1.0000, 1 @ $1.2000

THURSDAY, OCTOBER 21, 1999

CHEESE -- SALES: 4 CARS BARRELS @ $1.2725; 8 CARS 40# BLOCKS: 2 @ $1.2775, 4 @ $1.2800, 1 @ $1.2775, 1 @ $1.2800; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 5 CARS 40# BLOCKS: 3 @ $1.2800, 2 @ $1.2850

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, OCTOBER 22, 1999

CHEESE -- SALES: 4 CARS 40# BLOCKS: 2 @ $1.2725, 2 @ $1.2700; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 3 CARS BARRELS: 1 @ $1.2625, 2 @ $1.2725; 7 CARS 40# BLOCKS: 1 @ $1.2700, 3 @ $1.2750, 2 @ $1.2775, 1 @ $1.2800

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 28 CARS GRADE AA: 1 @ $0.9725, 1 @ $0.9750, 1 @ $0.9775, 1 @ $1.0150, 1 @ $1.0200, 2 @ $1.0300, 2 @ $1.0350, 3 @ $1.0450, 1 @ $1.0475, 2 @ $1.0575, 1 @ $1.0625, 2 @ $1.0650, 3 @ $1.0750, 1 @ $1.0700, 2 @ $1.0750, 2 @ $1.0850, 2 @ $1.0950; BIDS UNFILLED: 14 CARS GRADE AA: 1 @ $1.0025, 1 @ $0.9925, 1 @ $0.9900, 1 @ $0.9825, 1 @ $0.9800, 1 @ $0.9775, 2 @ $0.9525, 2 @ $0.9500, 2 @ $0.6900, 2 @ $0.6500; OFFERS UNCOVERED: 3 CARS GRADE AA: 1 @ $1.1000, 1 @ $1.1050, 1 @ $1.1150

BUTTER MARKETS

SEPTEMBER COLD STORAGE

U.S. cold storage holdings of butter on September 30, 1999 total 74.1 million pounds, down 22.2% from a month earlier and more than double September 1998.

NORTHEAST

The market tone remains weak. On October 18, the cash price at the Chicago Mercantile Exchange closed at $1.00, the lowest price since late April 1999. Butter stocks are still heavy and buyers have little or no difficulty purchasing desired volumes. Buyers are a little reluctant to purchase too far ahead as they fear additional price drops may occur. However, Thanksgiving orders are in place and being filled. Churning activity is light to moderate. Fresh butter stocks are still relatvitly tight. Suppliers are often having to microfix their stored butter to meet print demand. The weekly average butter price at the CME has dropped for five consecutive weeks and closing prices (through 10/18) have fallen 35-cents. This should stimulate butter consumption, but in most cases, retail prices are little changed from late summer when CME prices were in the high $1.40's. Food service orders are mostly steady.

CENTRAL

The butter market tone is weak and unsettled. Early week price weakness has many producers and handlers (particularly those with sizeable inventories) concerned. Thanksgiving orders are coming in and there is plenty of butter available to cover current needs. Fresh butter is not as tight as it has been and frozen stocks remain more than ample. Cream availability is increasing and Midwestern butter producers are increasing intakes as asking prices are quite low. Overall orders for prints are fair. More buyers see the possibility that prices may decline further and are waiting as long as they can before placing additional orders. Retail sales are just fair as there has been little downward movement on store prices. Food service orders are about steady.

WEST

Cream offerings are increasing across the region and demand is much less aggressive. The only real volume outlet for most of the cream being offered at this season of the year is the churn. Very little cream is leaving the region. Most is staying in the local production area. Most contacts expect fourth quarter butter sales to be good because of increasing holiday demand, more feature activity, and generally lower base price levels. Some sellers still expect some price rebound this fall. Stocks of butter are relatively heavy at all trade levels. Contacts were somewhat surprised at the strength in milk production announced last week. They fear that the milk flow through the winter season does not bode well for butter markets during the first quarter of 2000.

WHOLESALE SELLING DIFFERENTIALS, F.O.B. PRODUCING PLANTS, TRUCK-LOAD QUANTITIES.

DUE TO A LACK OF CONSENSUS ON THE PART OF PRODUCERS AND BUYERS ABOUT THE BASING POINT FOR BULK BUTTER SALES (PREVIOUS FRIDAY'S CLOSE, PREVIOUS WEEK'S AVERAGE, DATE OF SALE, DATE OF SHIPMENT, ETC.), DAIRY MARKET NEWS IS TEMPORARILY SUSPENDING THE REPORTING OF PREMIUMS OR DISCOUNTS.

NASS DAIRY PRODUCT PRICES

U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE 40# BLOCKS	CHEESE BARRELS 39% MOISTURE	NDM	BUTTER	DRY WHEY
OCTOBER 16	1.4462 3,908,995	1.3324 8,029,262	1.0182 16,381,134	1.1126 3,556,844	0.1910 6,170,214

Further data and revisions may be found on the internet at: http://jan.mannlib.cornell.edu/reports/nassr/price/dairy

CHEESE MARKETS

NORTHEAST

Prices are generally higher and the market tone is confused. After last week's large drops and increases in prices at the CME, contacts were waiting to see what the "real" price trend is. Some contacts are maintaining their purchasing strategies while others did "buy in" when prices jumped last Wednesday (10/13) to avoid additional price jumps. Prices have turned lower since the 10/15 trading. Cheese production is steady to heavier as milk supplies are increasing in the Northeast, but producers are cautious about making too much while prices are falling. Current orders are mixed, but generally good. Supplies of cheese are readily available with only occasional, localized tightness. Buyers have little difficulty finding cheese to buy. Retail sales and food service orders are steady.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.2725-1.7625
Cheddar Single Daisies	:	1.2525-1.7125
Cheddar 40# Block	:	1.3975-1.5750
Process 5# Loaf	:	1.4425-1.6025
Process 5# Sliced	:	1.4625-1.6950
Muenster	:	1.4550-1.7575
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is unsettled. Recent price fluctuations, both higher and lower at the CME have buyers and sellers wondering where prices may settle out. The instability continues to hurt sales, generally the retail end more than at food service. Continued food service promotional activity is helping to stimulate movement in some markets. Offerings of most current varieties, except for cheddar for aging programs, are at least adequate. Process movement is spotty, mostly slower than natural and best when featured. Mozzarella interest is spotty, often disappointing. Cream cheese production is seasonally active, with prices and profitability aided by lower butter and/or cream prices. Cheese output remains seasonally heavy with supplemental offerings available, if needed, from other parts of the country. Cheese yields are improving seasonally. Some operations shifted some milk out of cheese towards butter/powder, though the change may only be temporary.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.4100-1.9500
Brick And/Or Muenster 5#	:	1.8150-1.9000
Cheddar 40# Block	:	1.6150-2.1150
Monterey Jack 10#	:	1.8050-2.1150
Blue 5#	:	1.9500-2.4800
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6850-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.5500-2.6850

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	OCTOBER 18 - 22, 1999
BARRELS*	:	$1.2400 - 1.2725
	:	($.1125) (-.0425)
40# BLOCKS	:	$1.2575 - 1.2950
	:	($.0775) (-.1150)

( ) Change from previous week. * If steel, barrel returned.

WEST

Natural and process cheese prices continue to decline while Swiss prices are holding steady. With the announcement of September milk production numbers, many contacts believe that the market is likely to be in the doldrums throughout the winter and may not rebound this fall even as holiday demand for cheese picks up seasonally. Buying activity ran hot and cold last week as buyers responded to differing market signals from the CME cash trading. Early in the week, demand picked up as prices got into the support price neighborhood. As prices rebounded at midweek, some buyers took that as a signal that a bottom had been put in and it was time to buy. Others believed that waiting was the best game plan and that prices would falter once again. Prices did seem to weaken after the milk production announcement. Buyers generally seem to be operating on very light inventory levels and do need to continue purchasing some volumes on a regular basis. Production is heavier than anticipated for this season of the year.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.3850-1.6450
Cheddar 40# Block	:	1.3750-1.5150
Cheddar 10# Cuts	:	1.5550-1.7750
Monterey Jack 10#	:	1.5650-1.7350
Grade A Swiss Cuts 6 - 9#	:	2.3800-2.5100

FOREIGN

Domestic prices declined again this week. Roquefort prices are now reported as too few to report. However, Roquefort prices that are reported, have jumped significantly in recent weeks/months. Contacts expect prices to be well over $10 per pound in the not-too-distant future as "in country" stocks tighten. Some distributors are trying to buy up all they can get while others are limiting sales to regular accounts to protect their stocks. Retail sales are slow to fair and typical for this time of year.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

	NEW YORK	
VARIETY	IMPORTED	DOMESTIC
Roquefort	TFEWR	-0-
Blue	2.6400-3.1400	1.6100-2.2200*
Gorgonzola	3.2400-5.9400	2.1600-2.4900*
Parmesan (Italy)	TFEWR	3.0200-3.0450*
Romano (Italy)	2.1000-2.9000	-0-
Provolone (Italy)	3.4400-5.5000	1.6200-1.8950*
Romano (Cows Milk)	-0-	2.7900-5.0150*
Sardo Romano (Argentine)	2.6500-3.2900	-0-
Reggianito (Argentine)	2.6500-3.2900	-0-
Jarlsberg-(Brand)	2.7400-3.1200	-0-
Swiss Cuts Switzerland	-0-	2.3500-2.5500
Swiss Cuts Finnish	2.5900-2.8500	-0-
Swiss Cuts Austrian	2.2500-2.7500	-0-
Edam		
2 Pound	TFEWR	-0-
4 Pound	2.1900-3.0900	-0-
Gouda, Large	2.3900-3.1500	-0-
Gouda, Baby ($/Dozen)		
10 Ounce	27.8000-31.7000	-0-

* = Price change.

WEEKLY COLD STORAGE HOLDINGS -SELECTED STORAGE CENTERS IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	CHEESE
10/18/99	20,571	128,813
10/01/99	21,688	128,673
CHANGE	-1,117	140
% CHANGE	-5	N.C.

FLUID MILK AND CREAM

EAST

Northeastern Milk Market Administrators announced September 1999 uniform (blend) prices: Federal Order (F.O.) 1 is $16.34; F.O. 2, $15.52; F.O. 4, $15.44; F.O. 36, $15.58; and Western NY Milk Market Area, $15.37. During September, milk production in the 20 major states totaled 11.2 billion pounds, up 5.3% from September 1998. The following are the September to September changes for selected states: Texas -1.3%, Kentucky –0.8%, Vermont +0.9%, Pennsylvania +1.4%, New York +2.2%, Virginia +6.3%, and Florida +8.3%. Milk production is steady to higher throughout the region. In the Northeast, milk output is starting to move slightly higher. In the Southeast, the milk flow is increasing seasonally. In both regions, the relatively high milk prices and low cost feedstuffs are giving milk production a boost. Hurricane Irene dumped a lot of rain on Florida and the Carolinas. Standing water in South Florida is stressing the cows and some water/mud related health problems are adversely affecting the milk flow. In the Carolinas, the flooding is having less of an impact on the milk output, but outside milk continues to be brought in to supplement local shortages. This week, Florida handlers were scheduled to import 167 loads of milk. This compares to 194 loads last week and 213 loads a year ago. Imports into other Southeastern states are down from recent weeks. Only 35 loads of outside spot milk were brought in, but 84 loads of milk pooled under Southern orders were shipped in. Contacts report little change in bottled milk orders. A strike by the drivers of a Northeastern convenience store chain has been settled and their milk sales and trucking are back to more normal levels. The condensed skim market is steady to weaker as prices are steady to lower. Class III condensed skim prices are off rather sharply and nominal. At current prices, few buyers are interested in wet solids when NDM prices are significantly more attractive. The fluid cream market is weaker now that butter prices at the CME are as low as they have been since April. Also, offerings are more than adequate for current needs and more excess cream is being offered to butter makers. Multiples used to set cream prices are steady to lower as interest in cream wanes. Demand from some cream cheese makers is increasing as reports indicate that cream cheese orders are up rather noticeably for the upcoming holidays. Ice cream output is seasonally steady. Churning activity is light to moderate as more cream is being made available to local and out of region churning facilities.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, $ PER LB BUTTERFAT			
F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.3563-1.5407	
DELIVERED EQUIVALENT ATLANTA	-	1.3671-1.5190	M 1.4105-1.4539
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.4364-1.4648	
PRICES OF CONDENSED SKIM, $ PER LB WET SOLIDS			
F.O.B. PRODUCING PLANTS:			
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	-	1.1600-1.6500	
NORTHEAST- CLASS III - SPOT PRICES	-	1.0600-1.4000	

MIDWEST

WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
OCTOBER 15 - 21, 1999	39
PREVIOUS WEEK	35
COMPARABLE WEEK IN 1998	21

DESTINATIONS: KENTUCKY 18, MISSOURI 21

Class I sales were about steady for mid-month to occasionally improved where featured, particularly on chocolate. Besides the milk shipments reported, 19 loads of Wisconsin milk are "direct shipped" to Kentucky, 28 loads to Georgia, and 21 loads to Missouri and are pooled under a Southern federal order. Manufacturing milk interest is improved, though phones are hardly ringing off the wall. Spot manufacturing milk prices vary, depending on base mechanism used, from around $1.50 over MCP to right around $1.20 over class on a fairly light test. Cream interest is steady to slower with prices down on lower cash butter prices on the CME and a tightening range of multiples. Milk intakes are generally little changed in any direction from week to week and many operations are seeing intakes holding above year ago levels. Milk quality has been improving. Fat and protein levels in intakes are also increasing seasonally, leading to increased product yields. Many plants and coops are being selective about adding new producers due to concerns with having adequate plant capacity next spring. Relatively dry weather continues to allow good progress in fall harvest and tillage operations with overall progress ahead of normal in most areas.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	OCT 14 - 20	PREVIOUS YEAR
SLAUGHTER COWS	$ 34.50- 40.00	$ 31.00- 35.00
REPLACEMENT HEIFER CALVES	$245.00-350.00	$125.00-190.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	OCT 14 - 20	PREVIOUS YEAR
SLAUGHTER COWS	$ 31.00- 43.25	$ 33.50- 39.00

WEST

U.S. milk production in the 20 states surveyed totaled 11.2 billion pounds in September, 5.3% higher than September 1998. Production levels were steady or higher in 15 of the 20 states. August 1999 production was revised slightly higher to 3.7% above 1998 levels. Cow numbers in September were 7.753 million head, up 52,000 (+0.7%) from a year ago. Milk per cow was 4.5% higher. September output in the five Western states surveyed compared to 1998 is: Arizona, +10.0%; California, +16.5%; Idaho, +14.3%; New Mexico, +5.6%; and Washington, +4.8%. Cow numbers in the five Western states increased 94,000 head (+4.0%) from September 1998. Looking at milk output for selected Western states compared to last year through September: Arizona up 10.3%, California up 10.2%, Colorado down 2.7%, Idaho up 10.4%, New Mexico up 8.2%, Oregon up 4.0%, Utah up 7.2%, and Washington up 4.3%. Milk output levels continue to outpace year ago levels in the Southwest. California production is trending along at most often double-digit higher levels. Conditions remain favorable for milk cows and they continue to produce. Milk solids content is increasing seasonally. Dry conditions are prevalent in most milk producing areas. Feed availability and quality are good at reasonable prices. Plant capacity is becoming more of an issue as production in the state clips along at double-digit increases. There are more plant expansions coming on line to process the milk. Cream prices are declining, reflecting the lowest butter prices since this April. Demand is light with some cream clearing out of region for processing. Pricing is beginning to be more secondary to just finding a place to process the available cream. Cooler weather stretched across the major milk producing areas of New Mexico early in the week. A light snowstorm on Sunday surprised people, but did not affect milk production. Some increases in fat and solids content of milk were noted. Milk shipments outside of normal processing areas are minimal. Production in Arizona remains strong and plants are running at high levels to process receipts. Temperatures are milder and becoming more tolerable for cow comfort. Heifer prices remain high as producers look to fill recent dairy expansions. Weather conditions are cooling off seasonally in the Pacific Northwest, but milk production certainly remains very strong. With end product prices falling as fast as they are, some manufacturing plants are not at all anxious to take on additional loads of milk. Contacts are beginning to think that milk prices may remain low through the winter and into the spring, based on the current very heavy level of receipts. So far, there has been no impact on heifer prices. They remain high and availability is minimal. With many expansion plans in place and capital expenditures being made, prices are likely to remain high for quite a while even after milk prices begin to fall. Hay and feed prices remain generally favorable. Many dairy producers have needs covered into next spring so that they know the majority of their cost side of the equation and they can see what thetrade thinks milk prices might do into spring by looking at the BFP futures market. Dry conditions remain the rule in northern Utah and southern Idaho. Some corn is dry enough that it is not able to be used to make silage. Nonirrigated hay fields are in poor condition going into the winter. Some fall seeded small grains are not being put in, or those that have been planted may have germinated but are not growing. Currently, milk output is very strong and tests are increasing somewhat faster than is seasonally normal. Plans for plant capacity increases are again being discussed in the region.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 10/21/99 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Prices are unchanged and the market tone is steady. Movement into DEIP continues to keep some producers in balance. Others are building inventories as heavy milk supplies and high condensed skim prices encourage production. Buyers are purchasing NDM on an as need basis. Some resellers are hesitant to buy as prices are anticipated to move lower with the increases in production. Product from 2nd quarter is reportedly available for the light to fair demand. Some producers are disappointed by the lack of interest from regular condensed skim users. High heat production is scant and off grade product is being imported from the West for feed.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: 1.0250 - 1.0650 MOSTLY: 1.0300 - 1.0550

DRY BUTTERMILK - CENTRAL

Prices are unchanged on a steady market. Production remains light as producers prefer to move condensed instead of drying where possible. Inventories are in balance to instances tight. Some in the trade speculate that this may be the peak to the market. Spot trading is very light. Movement is best on regular commitments and into bakeries. Fresh product remains difficult to find with some lingering loads of aged product available on the market.

BUTTERMILK: .7700 - .8500

DRY WHEY - CENTRAL

Prices are lower and the market tone is weak. A few producers are unloading product on the market at heavy discounts. Other producers are following the trend and reducing their prices in order to effectively compete. Resale product is being traded below the average. Inventories are adequate to long. Production is mostly unchanged for the light to fair demand. Movement is best on regular commitments into feed, blend, and export markets. Some new business is noted in Canada and Brazil. Ice cream demand is down compared to last week. Condensed supplies are readily available and often difficult to move. Offerings are plentiful. Acid and Grade A product is clearing well with supplies occasionally short of buyer's needs.

NONHYGROSCOPIC: .1775 - .2100 MOSTLY: .1850 - .1950

ANIMAL FEED WHEY - CENTRAL

Prices are lower on milk replacer and roller ground and unchanged on the balance. The market tone is steady to weak. Brand specific product tends to clear the best on milk replacer quality product. Plenty of defective product is available at steep discounts for the limited demand. Offerings are adequate to plentiful. Roller ground and delactose movement is steady with some new seasonal interest appearing on the market. Feed whey products clear best on regular commitments. The North Central veal market is steady. Early weaned and all feeder pigs are trading 1-3 dollars higher.

MILK REPLACER:	.1300 - .1850
STANDARD:	TFEWR
ROLLER GROUND:	.1775 - .2100
DELACTOSE (Min. 20% protein):	.2600 - .3150

LACTOSE - CENTRAL AND WEST

Prices are generally unchanged to higher and the market tone is steady. Export demand remains strong. Competition from the EU is encouraging producers to be more price sensitive with their spot sales. Regular commitments are clearing well with some new 4th quarter contracts being reported. On the domestic market, supplies are most available on the lower mesh sizes. Some new business has appeared encouraging tighter supplies on higher meshed product. Inventories are mixed. Some producers are over sold while others are a little heavy on their inventories. Feed grade product is available at prices ranging between 8-16 cents. Feed demand for lactose is light while lactose production remains steady.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1700 - .2350 MOSTLY: .1900 - .2000

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged on a steady market. While export movement into Asia is helping to reduce WPC supplies on the West Coast, domestic demand is beginning to falter. Many buyers have accumulated the needed inventories for the 4th quarter and are not interested in purchasing for current demand. Hence, inventories on the West Coast are beginning to build. Some 1st quarter negotiations are being developed. Condensed supplies continue to be tight and are being traded at 3-6 cents below the average. Condensed is clearing the best into feed and process cheese facilities in the Midwest. Dry inventories in the Midwest are adequate to instances tight. Western product is being shipped to the Midwest to compensate for shortages in the region. Off grade and aged product remains available through producers and resellers at prices 2-4.5 cents below the average.

EXTRA GRADE 34% PROTEIN: .4050 - .4850 MOSTLY: .4300 - .4600

NONFAT DRY MILK - WEST

Prices and the market tone are weakening for low/medium heat NDM. Additional product is being offered on the marketplace from several sources. Drying schedules are increasing where more milk needs to be processed. Many plants in the region are being kept full. Demand is generally rated as light. Added NDM is backing up as some buyers are only buying minimums on their contracts. Sales of condensed skim are also limited. Stocks are light to moderate and building. High heat NDM prices are lower. Production is often limited due the need for maximum dryer time and the light demand. Offerings are available for current needs. During the week of October 11 - 15, CCC net purchases were 1.2 million pounds of nonfortified NDM and 0.3 million pounds of fortified NDM from Western producers.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT:	1.0050 - 1.0300	MOSTLY: 1.0100 - 1.0250
HIGH HEAT:	1.0300 - 1.0450	

DRY BUTTERMILK - WEST

Western dry buttermilk prices are unchanged and the market tone is unsettled to weak. Demand is slow to materialize for the limited, but increasing, spot offerings. Sales of condensed buttermilk are moderately active. Drying schedules are higher at more locations as cream is often staying within the region for making butter. Cream buyers in other regions are not aggressively pursuing cream and both multiples and butter prices continue to decline. Stocks are light to moderate.

BUTTERMILK: .7100 - .7900 MOSTLY: .7200 - .7600

DRY WHEY - WEST

Western whey prices range from steady to fractionally firmer. Offerings are sufficient for most trade needs. Production is somewhat heavier than anticipated for this time of year. Demand ranges from fair to good. Export shipments continue to be made on a regular basis. Domestic demand is steady. Some Western buyers are looking at the Central region as a possible supply alternative.

NONHYGROSCOPIC: .1850 - .2200 MOSTLY: .1975 - .2050

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	POUNDS
October 15	$1.0143	12,238,802
October 8	$1.0133	11,142,569

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

Prices are steady to lower and the market tone is a little weaker. Production levels are heavier as surplus milk volumes are increasing and demand for condensed skim slows. Milk production is coming up in more areas and less milk is moving into the Southeast which results in more milk moving into manufacturing channels. Plant stocks are adequate to meet current needs. Some producers are building stocks which is somewhat atypical for this time of year. With wet solids' prices so high, there are few spot sales which forces dryers to be operated on longer schedules. Demand for NDM is slow to fair. Buyers are often purchasing for immediate needs. Many "see" no shortages in the coming months and, at current prices, there is little incentive to carry large inventories. High heat powder is in the shortest supply. Those plants that are drying only a few days a week are taking the time to make a little extra high heat.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:		
LOW/MEDIUM HEAT:	1.0400 - 1.0600	MOSTLY: 1.0400 - 1.0600
HIGH HEAT:	1.0800 - 1.1100	MOSTLY: 1.0800 - 1.0900
DELVD SOUTHEAST:		
ALL HEATS:	1.0600 - 1.1300	

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are steady to slightly higher and the market tone is unchanged. Churning activity is increasing as more cream is available. Dry buttermilk output is steady and most Eastern producers have little powder on hand for immediate sales. Spot demand is steady.

F.O.B. NORTHEAST:	.8100 - .8400
DELVD SOUTHEAST:	.8200 - .8450

DRY WHOLE MILK - NATIONAL

Prices are unchanged to lower as some producers adjust prices to follow the butter prices at the CME. Production levels are light to moderate and generally geared to meeting orders. Spot interest is limited. Plant stocks are very closely balanced.

F.O.B. PRODUCING PLANT:	1.2500 - 1.7450

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 1999 THROUGH OCTOBER 15, 1999
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	54,333	MT (119,782,532 LBS)
CHANGE	--	2,271	MT (5,006,647 LBS)
WHOLE MILK POWDER	--	2,156	MT (4,753,118 LBS)
CHANGE	--	60	MT (132,276 LBS)
CHEESE	--	948	MT (2,089,961 LBS)
CHANGE	--	47	MT (103,616 LBS)
BUTTERFAT	--	0	MT

Allocations for the DEIP year beginning July 1, 1999, are:
Nonfat dry milk - 76,207 MT; Whole Milk Powder - 2,518 MT;
Cheese - 3,190 MT; Butterfat - 25,475 MT.
These DEIP allocations are in addition to balances still available from quantities announced on May 13, 1999; 25,177 MT of Nonfat Dry Milk (to be filled in roughly equal quarterly amounts during the GATT-year beginning July 1, 1999), 7,500 MT of dry whole milk, and 1,270 MT of cheese.

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are steady to lower and the market tone is a little unsettled. Production levels are unchanged, but spot demand is very slow and not pressuring prices higher. In fact, prices have been falling slightly as some Midwestern plants have powder to clear. Eastern plants are in relatively tight supply position. Most are sold out for several weeks while others do have a few loads on hand for immediate shipment. Demand is slow and most movement is via contracts. There is little spot interest. Some export sales are being made as prices move back into the area where foreign buyers become interested. Also, it allows producers to keep product moving.

F.O.B. NORTHEAST:	EXTRA GRADE	.1850 - .2000
	USPH GRADE A	.2100 - .2325
DELVD SOUTHEAST:		.2100 - .2350

ANIMAL FEED WHEY - NORTHEAST

Prices are still too few to report and the market tone remains weak. Spot demand for animal feed quality is very slow. Users are often covered by contracts and, most often, those volumes more than adequately meet their needs. Offerings of "off spec" dry whey are long and offerings at 13.5 cents are meeting little buyer interest.

F.O.B. NORTHEAST:	MILK REPLACER	TFEWR

EVAPORATED MILK - NATIONAL

Prices are unchanged and the market tone is steady. Production levels are steady to up slightly as more surplus milk is available in some areas of the country. Demand is unchanged, but retailers are preparing for Thanksgiving features. Producers' stocks are lighter than normal for this time of year and adequate to cover current orders. The Kansas City Commodity office announced the issuance of EVD-1, invitations 600 and 601 inviting competitive offers to sell to CCC 1,578,960 and 1,138,320 pounds, respectively, of evaporated milk for delivery in November and December 1999.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES $24.68 - 33.00
Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

No price changes were noted for both casein types. The market tone is being evaluated by the trade and being defined more in the steady to firmer range. While current contracts are in place for the fourth quarter and product is available to meet those contracts, negotiations for upcoming contract sales and spot sales are indicated to be at higher prices. Part of the increased optimism for market prices from the suppliers' perspective is the seasonal tightening of milk supplies in Europe, coupled with increasing skim milk powder production. The rennet market is not as strong as the acid. The lackluster cheese market in the United States has producers of imitation and substitute cheeses anticipating lower demand and the shifting of market share back to natural cheese as an ingredient for the processors who can make changes.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET:	1.7500 - 1.9000
ACID:	1.7800 - 1.9000

AUGUST FLUID MILK SALES HIGHLIGHTS

During August, sales of fluid milk products in comparable Federal milk order marketing areas and California were 1.2 percent above the previous year and 0.8 percent above July 1999 on an adjusted daily average basis. Sales of whole milk products were 2.7 percent above the previous year; sales of fat-reduced milk products were 0.4 percent above the previous year. Total fluid milk sales were higher in the Southeastern, Midwest, Southwest, and Far West regions, and lower in the Northeast region. Total fluid milk sales for the January-August 1999 period were 1.0 percent higher than the same period last year.

SUMMARY OF PACKAGED SALES OF WHOLE MILK PRODUCTS, FAT-REDUCED MILK PRODUCTS, AND TOTAL FLUID MILK PRODUCTS IN FEDERAL MILK ORDER MARKETING AREAS AND CALIFORNIA, GROUPED BY REGION, AUGUST 1999 WITH COMPARISONS 1/

Region 4/	Whole Milk Products 2/				Fat-reduced Milk Products 3/				Total Fluid Products			
	Sales		Change from:		Sales		Change from:		Sales		Change from:	
	Aug	Year to date	Prev. year 5/	Year to date 5/	Aug	Year to date	Prev. year 5/	Year to date 5/	Aug	Year to date	Prev. year 5/	Year to date 5/
	Mil. lbs.		Percent		Mil. lbs.		Percent		Mil. lbs.		Percent	
Northeast	330	2,671	-1.5	-0.9	434	3,582	0.2	0.5	764	6,253	-0.6	-0.1
Southeastern	359	2,742	6.6	3.7	432	3,484	0	0.2	791	6,226	2.8	1.7
Midwest	269	2,074	1.6	2.8	881	7,116	-0.2	0.7	1,150	9,190	0.2	1.2
Southwest	179	1,381	2.2	3.0	211	1,633	0.4	1.1	389	3,014	1.2	1.9
Far West	350	2,680	4.1	1.5	663	5,344	1.7	0.5	1,013	8,024	2.5	0.8
All Areas Combined	1,487	11,549	2.7	1.8	2,620	21,158	0.4	0.6	4,107	32,707	1.2	1.0

1/ These figures are representative of the consumption of fluid milk products in comparable Federal milk order marketing areas and California, and represents approximately 89 percent of total fluid milk sales in the U.S. 2/ Whole milk products include plain, flavored, and miscellaneous whole milk products. 3/ Fat-reduced milk products include plain, solids added, flavored, and miscellaneous reduced fat, low fat, and fat-free products, and buttermilk. 4/ For the marketing areas included in each region, see DMN Vol. 66, report #15. Midwest excludes Nebraska-Western Iowa. Far West includes California. 5/ Monthly and year-to-date percent changes are based on sales figures adjusted for calendar composition.

PACKAGED SALES OF INDIVIDUAL WHOLE MILK PRODUCTS AND FAT-REDUCED MILK PRODUCTS IN ALL MARKETING AREAS DEFINED BY FEDERAL MILK ORDERS AND CALIFORNIA, JULY 1999, WITH COMPARISONS 1/

Product Name	Sales	Change from:	
		Previous Year	Year to Date
	Mil.lbs	Percent	
Whole Milk 2/	1,483	1.7	1.7
Reduced Fat Milk (2%)	1,306	2.3	1.0
Low Fat Milk (1%) 3/	523	1.1	2.1
Fat-Free Milk (Skim)	675	-1.5	-1.5
Buttermilk	46	-4.8	-3.2
Total Fluid Milk Products 4/	4,048	1.3	1.0

1/ These sales volumes and percent changes include preliminary data for the New York-New Jersey milk order marketing area and the California State milk order. However, data for the Nebraska-Western Iowa market, which is a non-comparable market, are excluded. Monthly and year-to-date percent changes are based on sales figures adjusted for calendar composition.
2/ Includes flavored whole milk. 3/ Includes flavored fat-reduced milk.
4/ Includes miscellaneous products.

SOURCE: Monthly summaries of *Federal Milk Order Market Statistics*, AMS, USDA, and *California Dairy Information Bulletin*, California Agricultural Statistics Service and Milk Stabilization Branch.

TOTAL COW SLAUGHTER UNDER FEDERAL INSPECTION, UNITED STATES, JANUARY 1997 TO DATE (THOUSAND HEAD)

1997			1998			1999		
Week Ending	All Cows	Dairy Cows	Week Ending	All Cows	Dairy Cows	Week Ending	All Cows	Dairy Cows
Jan 4	125.1	55.7	Jan 3	105.0	50.4	Jan 2	90.6	40.9
11	161.9	72.7	10	143.8	68.0	9	119.0	54.5
18	135.2	61.1	17	127.0	60.2	16	128.8	56.1
25	150.9	67.4	24	127.6	62.5	23	122.4	56.6
Feb 1	133.3	62.4	31	126.0	61.5	30	112.6	54.3
8	133.4	62.7	Feb 7	120.2	58.3	Feb 6	109.4	54.7
15	126.2	62.1	14	112.0	54.7	13	111.5	54.0
22	122.0	59.1	21	108.5	56.6	20	105.1	52.5
Mar 1	122.3	60.9	28	112.4	56.1	27	104.8	50.4
8	118.9	58.3	Mar 7	108.5	54.9	Mar 6	107.4	51.2
15	129.6	61.8	14	95.0	50.0	13	102.9	49.1
22	122.1	58.1	21	104.6	52.3	20	103.5	49.3
29	122.2	55.8	28	109.4	54.4	27	113.5	52.3
Apr 5	118.2	54.3	Apr 4	110.0	54.0	Apr 3	102.3	47.7
12	116.5	54.8	11	105.1	50.3	10	99.1	47.6
19	120.1	55.9	18	106.5	49.6	17	104.3	48.2
26	123.9	54.5	25	111.2	51.5	24	105.2	47.2
May 3	114.2	51.1	May 2	106.7	47.9	May 1	103.1	47.2
10	117.4	52.4	9	107.4	47.3	8	103.2	44.3
17	111.4	50.0	16	108.3	46.9	15	108.7	46.2
24	112.9	50.7	23	110.6	47.4	22	112.5	47.3
31	98.6	44.4	30	101.1	43.0	29	111.8	45.1
Jun 7	111.3	50.5	Jun 6	113.7	47.6	Jun 5	87.2	39.4
14	101.0	45.0	13	108.6	46.0	12	105.2	44.4
21	101.7	45.1	20	105.3	45.0	19	99.3	43.9
28	113.4	49.6	27	107.9	44.9	26	98.8	44.0
Jul 5	90.4	40.8	Jul 4	98.4	40.5	Jul 3	101.0	40.5
12	115.5	51.9	11	105.8	44.2	10	84.7	38.9
19	114.6	50.1	18	108.5	44.6	17	102.2	45.9
26	112.5	51.2	25	104.9	44.1	24	101.8	47.6
Aug 2	120.0	52.9	Aug 1	110.5	46.6	31	95.2	46.6
9	117.3	53.2	8	117.7	47.9	Aug 7	97.7	46.0
16	120.1	55.0	15	111.2	48.2	14	107.7	51.2
23	117.9	56.1	22	107.2	48.4	21	108.1	52.3
30	116.0	54.3	29	113.6	48.7	28	107.3	51.0
Sep 6	96.5	47.3	Sep 5	114.4	49.7	Sep 4	108.3	49.8
13	124.1	56.9	12	99.2	43.4	11	92.8	44.5
20	123.2	55.9	19	117.5	50.8	18	107.3	49.5
27	121.3	57.8	26	114.8	49.2	25	112.0	52.6
Oct 4	122.3	54.3	Oct 3	111.2	49.0	Oct 2		
11	122.4	55.0	10	105.7	47.3	9		
18	129.0	59.0	17	111.6	47.3	16		
25	146.2	62.9	24	118.7	50.2	23		
Nov 1	146.9	62.8	31	131.8	54.4	30		
8	149.2	62.9	Nov 7	122.6	52.3	Nov 6		
15	146.8	62.7	14	125.5	52.1	13		
22	147.5	64.2	21	132.7	54.4	20		
29	118.7	52.0	28	103.7	44.9	27		
Dec 6	149.2	67.6	Dec 5	131.8	54.6	Dec 4		
13	141.2	65.6	12	128.1	56.3	11		
20	135.7	60.9	19	122.0	51.6	18		
27	95.5	43.3	26	80.4	34.0	25		

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, the Food Safety and Inspection Service and the National Agricultural Statistics Service, all of USDA.

MONTHLY COLD STORAGE REPORT - TOTAL U.S. STOCKS

NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under bond are included in the storage data.

All stocks in thousand pounds except where otherwise indicated.

U.S. HOLDINGS OF DAIRY PRODUCTS

COMMODITY	AUG 31, 1997	AUG 31, 1998	REVISED AUG 31, 1999	SEP 30, 1997	SEP 30, 1998	SEP 30, 1999
Cream	---	---	---	---	---	---
Butter	69,468	41,070	95,164	43,936	34,077	74,055
Evap. & Cond. Milk	---	---	---	---	---	---
Cheese, Natural American	459,450	441,605	510,849	434,028	417,489	471,447
Cheese, Swiss	11,507	11,560	10,027	11,040	12,741	10,412
Cheese, Other Natural	111,313	123,603	176,695	98,607	122,765	156,473

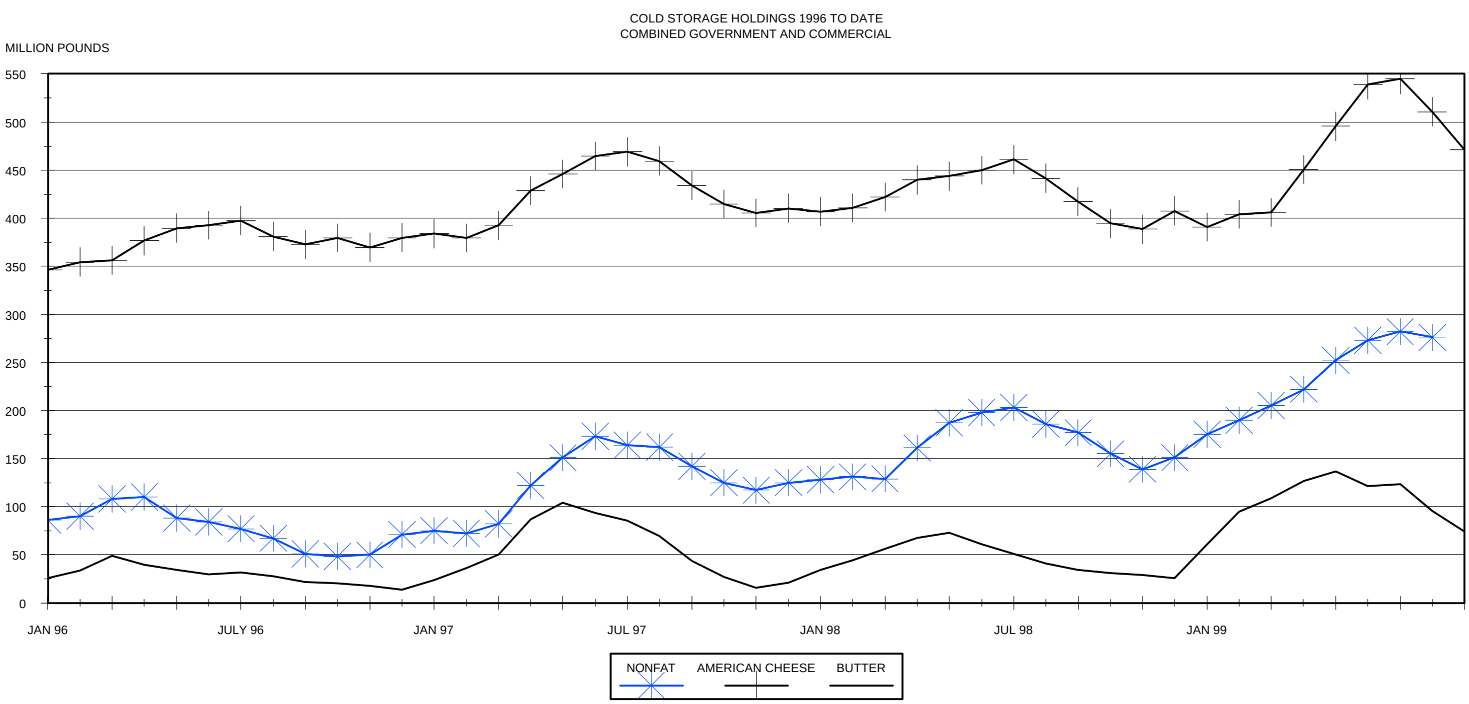
U.S. GOVERNMENT OWNED COLD STORAGE HOLDINGS

COMMODITY	AUG 31, 1997	AUG 31, 1998	REVISED AUG 31, 1999	SEP 30, 1997	SEP 30, 1998	SEP 30, 1999
Butter	563	216	258	499	169	214
Natural American Cheese	285	209	50	257	172	9

SEPTEMBER COLD STORAGE HOLDINGS BY REGION

REGION	Natural American Cheese			Butter			Other Natural Cheese		
	1997	1998	1999	1997	1998	1999*	1997	1998	1999
New England	22,628	22,693	25,765	6,727	---	---	97	364	559
Middle Atlantic	38,302	39,161	41,684	3,223	---	---	14,630	11,513	11,705
East North Central	240,384	217,846	231,627	19,343	---	---	67,621	101,719	80,367
West North Central	66,915	65,752	102,246	3,699	---	---	4,916	2,330	53,435
South Atlantic	249	602	631	337	---	---	5,105	635	1,280
East South Central	259	210	0	141	---	---	2,552	1,911	150
West South Central	4,174	283	259	445	---	---	129	243	205
Mountain	16,646	17,218	10,043	284	---	---	976	765	468
Pacific	44,471	53,724	59,192	9,737	---	---	2,581	3,285	8,304
TOTAL	434,028	417,489	471,447	43,936	34,077	74,055	98,607	122,765	156,473

*Regional breakdowns are not reported to avoid possible disclosure of individual operations.


COLD STORAGE HOLDINGS 1996 TO DATE
COMBINED GOVERNMENT AND COMMERCIAL
MILLION POUNDS
550
500
450
400
350
300
250
200
150
100
50
0
JAN 96
JULY 96
JAN 97
JUL 97
JAN 98
JUL 98
JAN 99
NONFAT
AMERICAN CHEESE
BUTTER

COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 1998 TO DATE

Month	Butter						Natural American Cheese						Nonfat Dry Milk					
	Total 1/		Commercial		Government		Total 1/		Commercial		Government		Total 1/ 2/		Commercial		Government 2/	
	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998
	Million Pounds						Million Pounds						Million Pounds					
January	61	34	61	34	3/	3/	391	407	391	407	3/	3/	175	128	82	104	93	24
February	95	44	95	44	3/	3/	404	411	404	411	3/	3/	190	131	108	105	82	26
March	109	56	109	56	3/	3/	406	422	406	422	3/	3/	205	129	123	93	83	36
April	126	67	126	67	3/	3/	451	440	451	440	3/	3/	222	161	136	113	86	48
May	137	73	136	72	3/	3/	496	444	496	444	3/	3/	252	187	164	132	88	55
June	121	61	121	60	3/	3/	539	450	539	450	3/	3/	273	198	158	129	114	69
July	124	51	123	51	3/	3/	545	461	545	461	3/	3/	282	203	141	112	141	91
August	95	41	95	41	3/	3/	511	442	511	441	3/	3/	276	186	106	78	171	108
September	74	34	74	34	3/	3/	471	417	471	417	3/	3/		177		64		112
October		31		31		3/		395		394		3/		155		46		109
November		29		29		3/		389		389		3/		139		42		97
December		26		26		3/		408		408		3/		151		56		95

NA = Not available. 1/ Total may not add due to rounding. 2/ Includes instant nonfat dry milk. 3/ Less than 500,000 lbs.

COMMERCIALLY OWNED COLD STORAGE HOLDINGS FOR THE UNITED STATES 1/

Commodity	Aug 31, 1997	Aug 31, 1998	Aug 31, 1999	Sep 30, 1997	Sep 30, 1998	Sep 30, 1999
	Thousand Pounds					
Butter	68,905	40,854	94,906	43,437	33,908	73,841
Natural American Cheese	459,165	441,396	510,799	433,771	417,317	471,438

1/ Total holdings minus Government owned holdings. For more information, see page 9 of this report.

SOURCE: "Cold Storage," Co St 1 (10-99) and "Dairy Products," Da 2-6 (10-99), Agricultural Statistics Board, National Agricultural Statistics Service; and "Summary of Processed Commodities in Store," Agricultural Stabilization and Conservation Service.

FEDERAL MILK ORDER PRICE AND POOL HIGHLIGHTS

FEDERAL MILK ORDER MARKET SUMMARY FOR SEPTEMBER 1999. During September, about 6.4 billion pounds of milk were marketed under Federal orders. (Significant volumes of milk that normally would have been pooled under Federal milk orders were not pooled in September 1999 and 1998.) Producer deliveries were about 22.0 percent less than September 1998, and about 3.1 percent more than August 1999 on a daily average basis. Milk utilized in Class I products in September was 0.6 percent more than last year on an adjusted basis. Class I use this year represented 59 percent of producer milk deliveries compared to 46 percent in September 1998. The average blend price was $15.62 per cwt., $0.74 less than last year. Changes in class prices from year-earlier levels were as follows: Class I, down $1.18; Class II, down $1.18, Class III, up $1.16; and Class III-A, down $7.48.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF SEPTEMBER 1999

FEDERAL MILK ORDER MARKETING AREAS 1/	ORDER NO.	RECEIPTS AND UTILIZATION						PRICE AND BUTTERFAT DIFF.		
		RECEIPTS FROM PRODUCERS		RECEIPTS USED IN CLASS I		PERCENT USED IN CLASS I		BLEND PRICE 2/		BUTTER-FAT DIFF. 3/
		1999 TOTAL	CHANGE FROM 1998	1999 TOTAL	CHANGE FROM 1998	1999	1998	1999	1998	1999
		MIL. LB	PERCENT	MIL. LB	PERCENT	PERCENT		DOLLARS		CENTS
New England (Boston)	1	483.7	3.6	246.4	5.3	51	50	16.06	17.19	12.6
New York/New Jersey (NY City)	2	934.6	-0.2	386.3	-7.8	41	45	16.24	16.70	12.6
Middle Atlantic (Philadelphia-Baltimore/Washington, D.C.)	4 4/	474.1	0.7	257.8	9.1	54	50	15.44	16.77	---
NORTHEAST REGION		1,892.3	1.0	890.6	0.1	47	47	15.99	16.84	12.6
Carolina (Charlotte)	5	273.2	13.7	213.4	5.1	78	84	16.10	17.51	12.6
Southeast (Atlanta/Birmingham)	7	461.1	4.5	398.6	5.6	86	86	16.47	17.52	12.6
Florida Markets (Tampa /Jacksonville/ Tallahassee/Miami)	12 5/	201.4	5.8	180.6	3.9	90	91	17.08	18.31	12.6
SOUTHEASTERN REGION		935.6	7.3	792.6	5.1	85	87	16.49	17.69	12.6
Michigan Upper Peninsula (Marquette)	44 4/	5.0	-11.2	4.7	2.1	94	81	14.97	15.91	12.6
Southern Michigan (Detroit)	40 4/	333.3	-5.6	179.7	-4.9	54	54	15.16	15.92	---
E. Ohio/W. PA (Cleveland/Pittsburgh)	36 4/	212.6	-17.3	151.6	3.5	71	57	15.58	16.06	---
Ohio Valley (Columbus)	33 4/	215.0	-8.0	150.2	8.9	70	59	15.22	16.16	---
Indiana (Indianapolis)	49	150.0	-6.1	93.5	-6.9	62	63	14.98	16.18	---
Chicago Regional	30 4/ 6/	458.3	-56.9	268.1	13.3	58	22	14.99	15.50	---
Central Illinois (Peoria)	50 4/	14.7	-9.7	13.0	-2.9	89	83	15.24	16.17	12.6
S. Illinois-E. Missouri (Alton)	32 4/	116.7	-17.2	82.9	-2.0	71	60	15.16	16.14	12.6
Louisville-Lexington-Evansville	46	101.8	2.2	81.1	-1.1	80	82	15.45	16.57	12.6
Upper Midwest (Minneapolis)	68 4/ 6/	207.3	-75.3	142.7	-7.1	69	18	14.76	15.31	---
Iowa (Des Moines)	79 4/ 6/	90.0	-59.1	55.9	-34.4	62	39	14.89	15.68	---
Nebraska/W. Iowa (Omaha/Sioux City)	65 4/ 6/	100.4	-15.3	47.2	-5.7	47	42	14.53	15.80	---
Greater Kansas City/E. S. Dakota	64 4/ 7/ 8/	37.0	-15.9	---	---	---	---	15.52	16.65	12.6
MIDWEST REGION	9/	2,004.9	-42.8	1,270.5	-1.0	63	37	15.09	15.69	12.6

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF SEPTEMBER 1999

FEDERAL MILK ORDER MARKETING AREAS 1/	ORDER NO.	RECEIPTS AND UTILIZATION: RECEIPTS FROM PRODUCERS, 1999 TOTAL (MIL. LB)	RECEIPTS FROM PRODUCERS, CHANGE FROM 1998 (PERCENT)	RECEIPTS USED IN CLASS I, 1999 TOTAL (MIL. LB)	RECEIPTS USED IN CLASS I, CHANGE FROM 1998 (PERCENT)	PERCENT USED IN CLASS I, 1999 (PERCENT)	PERCENT USED IN CLASS I, 1998 (PERCENT)	PRICE AND BUTTERFAT DIFF.: BLEND PRICE 2/, 1999 (DOLLARS)	BLEND PRICE 2/, 1998 (DOLLARS)	BUTTER-FAT DIFF. 3/, 1999 (CENTS)
Southwest Plains (Oklahoma City)	106 4/	187.8	-20.8	121.2	-6.0	65	54	16.04	16.58	12.6
Texas (Dallas)	126 4/ 6/	405.5	-17.2	279.6	3.7	69	55	15.91	16.81	12.6
SOUTHWEST REGION		593.3	-18.4	400.8	0.6	68	55	15.95	16.73	12.6
E. Colorado/W. Colorado (Denver)	137 4/ 8/	91.7	-31.4	71.7	2.2	78	53	15.83	16.36	12.6
SW. Idaho/E. Oregon (Boise)	135 4/ 6/	101.4	-29.0	16.4	0.0	16	11	14.80	15.28	---
Great Basin (Salt Lake City)	139 4/	76.6	-56.7	67.1	-13.2	88	44	15.39	15.86	---
Central Arizona (Phoenix)	131 4/ 6/	187.0	10.4	82.5	-3.5	44	50	15.29	16.65	12.6
New Mexico-West Texas (Albuquerque)	138 4/ 6/	68.3	-40.6	54.4	1.0	80	47	15.58	16.09	12.6
Pacific Northwest (Seattle/Portland)	124 4/	493.5	-9.7	178.7	-0.4	36	33	14.53	16.80	---
FAR WEST REGION		1,018.4	-20.7	470.8	-2.5	46	38	14.95	16.37	12.6
ALL-MKT. AVERAGE OR TOTAL	9/ 10/	6,444.6	-22.0	3,825.2	0.4	59	46	15.62	16.36	12.6
YEAR-TO-DATE AVG./TOTAL										
Northeast Region		18,277.3	0.6	7,579.1	-0.3	41	42			
Southeastern Region		8,951.0	1.8	7,272.9	1.8	81	81			
Midwest Region		29,428.6	-5.0	11,041.4	0.7	38	35			
Southwest Region		7,066 7	5.1	3,545.7	2.7	50	51			
Far West Region		11,580.1	-5.6	4,224.9	0.7	36	34			
ALL MARKET AVERAGE OR TOTAL	9/ 11/	75,303.6	-2.1	33,664.0	0.9	45	43	14.26	14.27	----

1/ Names in parentheses are principal cities and pricing points of markets. 2/ Prices are for 100 pounds of milk with a butterfat content of 3.5%. 3/ Amount by which the blend price is adjusted for each .1% that the butterfat content of a producer's milk varies from 3.5%. For example, if the butterfat content of the milk that a producer delivers to a regulated handler located in Boston (New England's market) is 4.0%, then the producer's blend price would be $16.69. (4.0 minus 3.5 equals .5; 5 times $.126 equals $0.630; $16.06 plus $0.630 equals $16.690.) 4/ Due to a disadvantageous pricing situation in September 1999, handlers elected not to pool milk that normally would have been associated with the market. 5/ Pool data are either a summation or weighted average of the Tampa Bay, Upper Florida, and Southeastern Florida marketing areas. The blend prices are for the Tampa Bay market. Blend prices for other markets are: Upper Florida: 1999, $17.05 1998, $18.30; and Southeastern Florida: 1999, $17.61; and 1998, $18.74. 6/ Due to a disadvantageous pricing situation in September 1998, handlers elected not to pool milk that normally would have been associated with the market. 7/ Class I receipt and utilization data for the Greater Kansas City/Eastern South Dakota area are restricted. 8/ Figures represent a combination of data for the indicated markets except for the producer blend prices which are for the first market listed. Blend prices for other markets are: Eastern South Dakota: 1999, $14.98; 1998, $15.71 and Western Colorado: 1999, $15.55; 1998, $16.57. 9/ Data for Greater Kansas City/Eastern South Dakota are excluded; some of the data during this period could not be released without revealing individual business operations. See 7/. 10/ The total estimated volume of milk not pooled due to disadvantageous pricing situations was 2.8 billion pounds in September 1999, and 750 million pounds in September 1998. 11/ The total estimated volume of milk not pooled due to disadvantageous pricing situations was 13.1 billion pounds this year, and 9.6 billion pounds last year.

CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE WEEK OF OCTOBER 18 - 22, 1999			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/99	SAME PERIOD LAST YEAR	PERIOD ENDING 10/15/99	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	2,418,087	-0-	2,418,087	4,664,224	103,384	-0-	42,673,000
Fortified	-0-	-0-	-0-	661,248	-0-	-0-	-0-
TOTAL	2,418,087	-0-	2,418,087	5,325,472	103,384	-0-	42,673,000

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF OCTOBER 18 - 22, 1999 =	0.5	28.1
CUMULATIVE SINCE OCTOBER 1, 1999 =	1.2	62.0
CUMULATIVE JANUARY 1 - OCTOBER 22, 1999 =	42.1	2,226.6

	MILKFAT* BASIS	SKIM** SOLIDS
COMPARABLE WEEK IN 1998 =	0.0	1.2
CUMULATIVE SAME PERIOD LAST YEAR =	0.0	1.2
COMPARABLE CALENDAR YEAR 1998 =	25.0	1,321.4

* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22
**Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF OCTOBER 18 - 22, 1999 (POUNDS)

	BUTTER			CHEESE			NONFAT DRY MILK	
REGION	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	2,418,087	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/98 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT	
REGION	1999/00	1998/99	1999/00	1998/99	1999/00	1998/99	1999/00	1998/99
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	0.0	0.0
WEST	-0-	-0-	-0-	-0-	5,325,472	103,384	100.0	100.0
EAST	-0-	-0-	-0-	-0-	-0-	-0-	0.0	0.0
TOTAL	-0-	-0-	-0-	-0-	5,325,472	103,384	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 1999

MANUFACTURING MILK: Average Test 3.67% - $9.90 per cwt.; 3.5% - $9.80

DOLLARS PER POUND

BUTTER: Bulk $.6500; 1# Prints $.6800

CHEESE: 40 & 60# Blocks $1.1000; 500# Barrels $1.0700; Process American 5# $1.1525; Process American 2# $1.1925

NONFAT DRY MILK: Nonfortified $1.0100; Fortified $1.0200; Instant $1.1675

Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 10/02/99 & Comparable Week 1998 1/ 2/

Regions*	1	2	3	4	5	6	7	8	9	10	U.S. TOTAL: WEEK	U.S. TOTAL: SINCE JAN 1	% DAIRY OF ALL: WEEK	% DAIRY OF ALL: SINCE JAN 1
1999-Dairy cows HD (000)	0.2	1.1	6.6	5.6	18.7	2.4	3.2	0.8	10.2	2.5	51.3	1,941.6	46.0	46.1
1998-Dairy cows HD (000)	0.3	1.6	6.4	5.2	17.7	2.2	2.9	0.8	9.4	2.5	49.0	2,016.6	44.1	45.4
1999-All cows HD (000)	0.2	1.3	9.2	14.3	26.0	17.4	19.7	3.8	12.6	7.0	111.5	4,209.8		
1998-All cows HD (000)	0.3	1.7	8.8	15.5	24.7	19.2	17.4	4.8	12.1	6.6	111.2	4,437.3		

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

1/ States included in regions are as follows: Region 1--ME, NH, VT, CT, MA, and RI; Region 2--NY and NJ; Region 3--DE, PA, WV, VA, and MD; Region 4--KY, TN, NC, SC, GA, AL, MS, and FL; Region 5--MI, OH, IN, IL, WI, and MN; Region 6--TX, OK, NM, AR, and LA; Region 7--IA, NB, KS, and MO; Region 8--MT, WY, CO, UT, ND, and SD; Region 9--CA, NV, AZ, and HA; Region 10--ID, OR, and WA. 2/ Totals may not add due to rounding.

BASIC FORMULA PRICE (BFP), MAY 1995* TO DATE & HISTORIC M-W (3.5% BF, $/CWT.)

YEAR	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.
1994	12.41	12.41	12.77	12.99	11.51	11.25	11.41	11.73	12.04	12.29	11.86	11.38
1995	11.35	11.79	11.89	11.16	*11.12	11.42	11.23	11.55	12.08	12.61	12.87	12.91
1996	12.73	12.59	12.70	13.09	13.77	13.92	14.49	14.94	15.37	14.13	11.61	11.34
1997	11.94	12.46	12.49	11.44	10.70	10.74	10.86	12.07	12.79	12.83	12.96	13.29
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04	16.84	17.34
1999	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26			